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The Eye

Satire, comment and independent reporting
March 1988

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Mr Mate's tax rorts

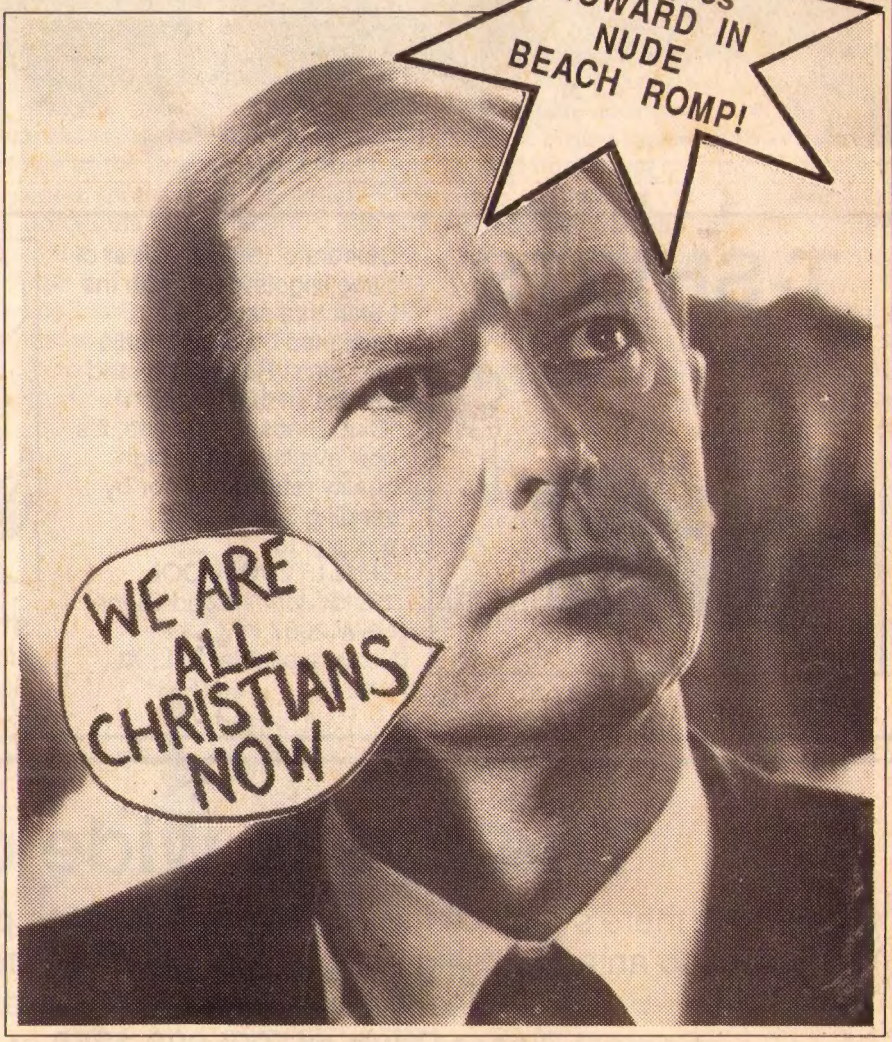
Barrie Unsworth's
Advice to the Lovelorn

The OSCAR brotherhood

Modern Girl Hermoine

Telecom's Terror Squad

Willliam Pinwill
The failure of pragmatism



Ascension of St Christopher: page 15

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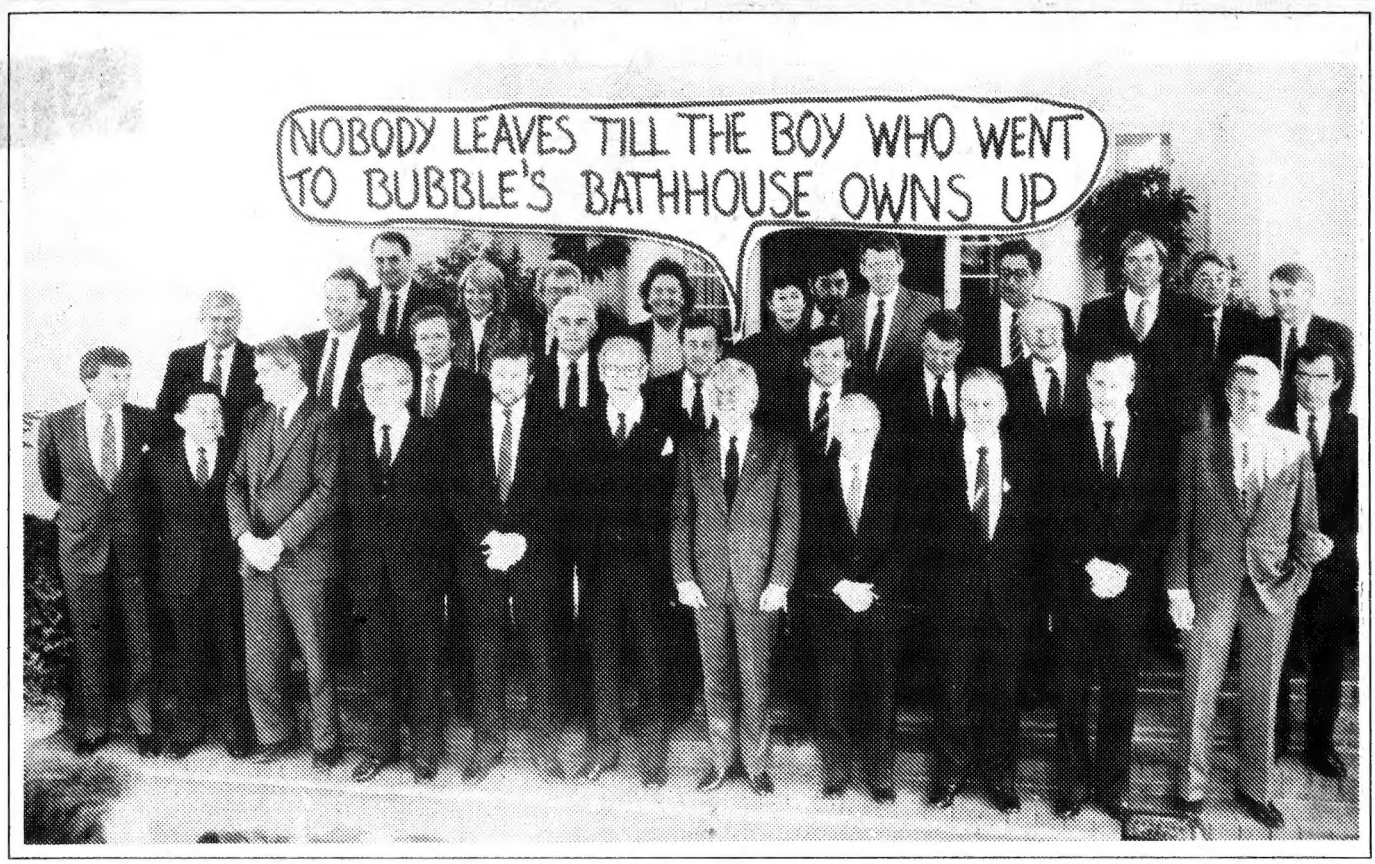
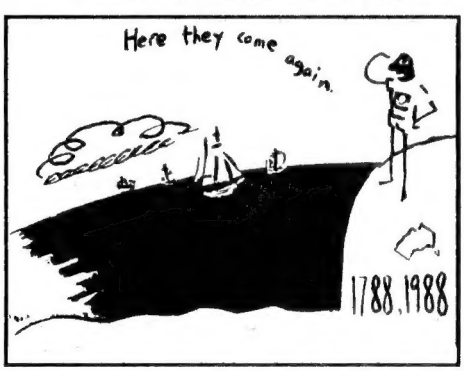


T-SHIRTS



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The Eye

A Monthly Journal of Satire, Comment, and Reportage

Edited by Brian Toohey

This is the eighth issue of a new magazine. Its birth has been sparked by changes which mean that the Australian print media is now dominated by companies with fingers in dozens of other business pies. Governments and advertisers are setting the agenda for what gets printed. The Eye is attempting to fill the gaps left by the Big Boys and inject a little humour.

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At Home with The Toad

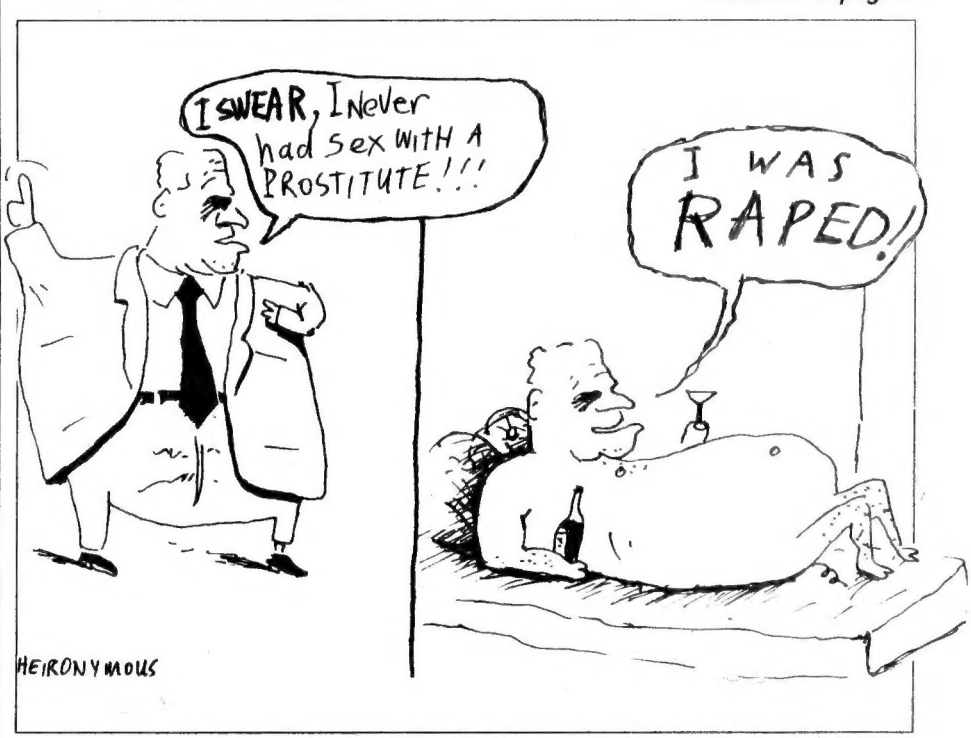
RUM business, politics. There was Mick, lolling about Peter Doyle's salubrious harbourside guest quarters for most of January, urging me to give him the nod for the deputy leadership gallop against Paul. Now he's gone. And all over a donation that actually went into party funds! What about the ones that went straight into the pockets of the less scrupulous operators, I asked straight-faced when the story first broke. No one saw the joke.

Indeed, one of Hawkie's boys wanted an urgent meeting in his suite down at the Regent. My counsel was needed, on the quiet, as usual. What if donations to the factions, and not just the party, had to be declared? Forget it, I said, it will never happen while Robert Ray's pert little arse still polishes the ministerial benches.

What he was talking about was the help Hawkie got in grabbing the leadership from that wowser, Hayden. I realise all the kudos for running the numbers in Bob's Centre Unity faction in Victoria goes these days to Ray. Yet it often seems a pity that my old sparring partner in more than one delicate financial operation, Eddie Kornhauser, never seems to get the credit he deserves. In the lead up to the Hayden coup, Eddie arranged some very generous (no-strings-attached, naturally) donations for Centre Unity; enough for it to afford to employ an organiser on $35,000 a year plus car and expenses to help Bob build the support needed to topple Bill.

Eddie and Bob go back a long way. Bob has been a regular guest at one of his plush apartments on the Gold Coast. I must say Bob put a first-class effort into trying to drum some sense into the crazies in the Queensland Labor branch who opposed Eddie's bid for the Gold Coast casino. He also did the right thing and backed Eddie's approaches for the Whitlam Government to snap up the golden opportunity to take the Melbourne

Continued on page 5



Questions on notice

IAN McPHEE has placed a new set of questions on the Parliamentary Notice Paper to follow-up Question No. 578 which asked about tape recordings in the possession of the National Crime Authority of conversations involving Sir Peter Abeles, including ones in a foreign language in which Prime Minister Hawke was mentioned. Macphee asked if the NCA head had not bothered to have these translated.

The latest questions to the Attorney-General are:

1. Further to Q.578, will the Minister assure me that the National Crime Authority will not destroy the tape recordings?

2. Regardless of the course of action the National Crime Authority takes in regard to the tape recordings, will the Minister ensure that the National Companies and Securities Commission and the Reserve Bank Board receive either authenticated copies of the tapes or authenticated transcripts of the tape recordings in order for those bodies to determine whether any codes of conduct relevant to those bodies have been breached?

3. Will he also ensure that transcripts of English conversations involving Sir Peter Abeles apparently instructing an employee to transfer a large amount of funds out of Australia at short notice are handed on to the National Companies and Securities Commission and the Reserve Bank Board in order for those bodies to determine whether any commercial or other codes of conduct have been breached?

The Toad

Continued from page 3

Chevron off his hands after the '74 property crash.

Eddie, who I'm pleased to say remains a great friend of Israel's, stays in touch with the man in The Lodge. I'm told the twosome gave the private tables at Jupiters a solid work-out recently. Unfortunately, the nosy bloody Fitzgerald Inquiry has started poking around on a loan Eddie gave Russ Hinze. I'm sure it's all kosher.

Daddy Cool

There are certain traditions this old Toad will never abandon. (The dozen roses on Valentine's Day went down very well, I must admit, with a delightfully long-limbed occupant of certain Vaucluse *pied-á-terre*). But I'm an unabashed modernist when it comes to property development. So I can't say I've much time for the nervous nellies who are all a-twitter over the police inquiry into Landa. Provided everyone keeps their mouth shut, there's nothing to worry about. Yes, I know they've found how the guy who suicided after the inquiry started — the one who did the cement work on Landa's tennis court — managed to get some property rezoned from railway reserve back to commercial. Let's be realistic. It will take months for a coroner look at it.

The more immediate issue is what happens if that insignificant frog Greiner gets elected and goes ahead with this Corruption Commission nonsense. Obviously, the lads will lash out about natural justice, hearsay,etc. (Definitely a job for Neville).

But the main thing is to get the right person as commissioner, if the impertinent idea actually gets off the ground. Stewart's tied up, but there must be someone if we look around. Maybe Mary Gaudron could take leave from the High Court, or perhaps Clive Evatt could saddle up? If only Garfield were still alive ...

More, please!

WOULD the kindly person who sent The Eye some pages from a certain CAC report, please send some more, including if possible the title page, plus any background that helps illuminate what has happened in the case.

If anyone else has documents (Defence, Tax, police or whatever) burning a hole in a filing cabinet, feel free to send a copy to The Eye, Locked Bag No. 6, PO Glebe, NSW, 2037. The copies will be handled with sufficient care for you to be able to confidently point the finger of suspicion for the leak at your worst enemy.

Terminal leg-over

I stay well clear of physicians as a rule. Total killjoys. But an old school chum insisted on an immediate lunch at the American Club. He ducked across from his surgery in a terrible lather. The words came spilling out before I'd had a chance to see if they'd taken my advice on the need to smarten up their dreary wine list.

The Doc (we even called him that at school) had just discovered that someone had been giving a spot over the old leg-over to his good lady wife while he was poking around some poor wretch's gizzards or whatever it is these fellows do. I had often wondered how the Doc had got the good lady in the first place, but I refrained from comment. What he has to say was too diverting, even for a man of the world like myself. Would I recommend someone to knock off the bounder who was had cast this evil spell over Mrs Doc?

A bit outside my league, of course. I was about to explain that I had strong philosophical objections to an innocent round or two of leg-over resulting in the death penalty, when he dropped the name of this latter day Errol Flynn. I knew the man well. "But he's a top silk", I protested. "An ornament to the Bar". All my arguments were to no avail. The Doc had passed sentence. What hurt most, it seemed was that they all went to the same Eastern Suburbs gym. (Another black mark for this fitness jape.)

He blurted out how he had tried to get a private eye to make the hit, but the damned fellow had turned marriage guidance counsellor and laughingly told him "to use his melon and let the bitch go." Now the hunt was on for some new hired muscle.

I've got a nasty legal chore coming up. I think now I know where to get the job done without any silly ethical quibbles, provided old Silver Tongue doesn't croak it first. The wine list, by the way, was as unimaginative as ever.

DAMON RUNYON

Time for Sport

I AM walking along one of the boulevards not far from Mindy's one evening with a little dude called Choo Choo Hill who is eagerly sought by the gendarmes in connection with some trains which go missing while he is being photographed looking after them. I wish to say that I do not know Choo Choo Hill and I am greatly embarrassed when he joins me, especially as he talks very loudly at all times. "I am Choo Choo Hill," he says, "The most famous guy in the world".

Suddenly I notice a number of citizens standing in a circle near the back of the market. Naturally I take a keen interest in such gatherings as they frequently indicate the presence of cards or dice or possibly a crap game. So I lose Choo Choo Hill and very soon find myself wedged in a handy position in the crowd straining to see what it is that the citizens are watching.

I am somewhat surprised to see that the focus of all this attention is three horses standing at the end of a laneway eating chaff and although I see a great many uninteresting sights in my time, nothing I ever see is quite as uninteresting as the prospect of these three horses. They are old and somewhat unsteady on their gams and it is some time before I observe certain gambling transactions taking place and figure an angle on proceedings. It appears that the citizens place bets on the rate at which the horses void their bowels into a big tube and I wish to say that a surprising amount of money changes hands and the big tube is very full indeed.

Personally I think this has some way to go as an entertainment and I am about to stroll over to Mindy's when I hear a very loud noise and who do I see coming through the crowd but Choo Choo Hill.

"I am Choo Choo Hill and much of the credit for this achievement is due to me personally," he says. "I observe this game of yours and it appears very simple. I recently obtain a horse of my own and I suggest you stand well back and place your bets." Of course Choo Choo Hill is by no means the owner of any livestock and when the animal appears it is obviously Broadcaster, the famous horse who can read and play the piano. Broadcaster belongs to all the citizens and there is some surprise that Choo Choo Hill enters him in a bowel -voiding competition.

He backs Broadcaster up to the tube and shouts "Go!" The other horses begin immediately. Choo Choo Hill shouts "Go!" several more times and begins to shake the horse about no little and he kicks it in the wedding-tackle and commences to belt it on the snorer with a baseball bat.

The crowd thins out somewhat at these developments and very few parties are still present when Choo Choo Hill loses his temper. He pulls out a large whip and comes in off about a 20-yard run, causing old Broadcaster to lose quite a bit of skin and buckle slightly in the middle. In fact if I have any potatoes I will take plenty of 11 to 5 against the horse plugging on much beyond sundown as it appears to be losing interest and I am somewhat relieved when Choo Choo Hill pulls a very big Roscoe from his pants pocket and moves towards the animal's noggin.

Suddenly a cop called Officer Evans steps forward and blows a toot on his whistle. The crowd is normally very much opposed to such things as cops blowing toots on their whistles but in this case they are prepared to overlook the matter on account of the activities of Choo Choo Hill. There is also some suggestion that he makes a fortune betting against himself, although this is very uncharitable since only a sap would nibble at such odds.

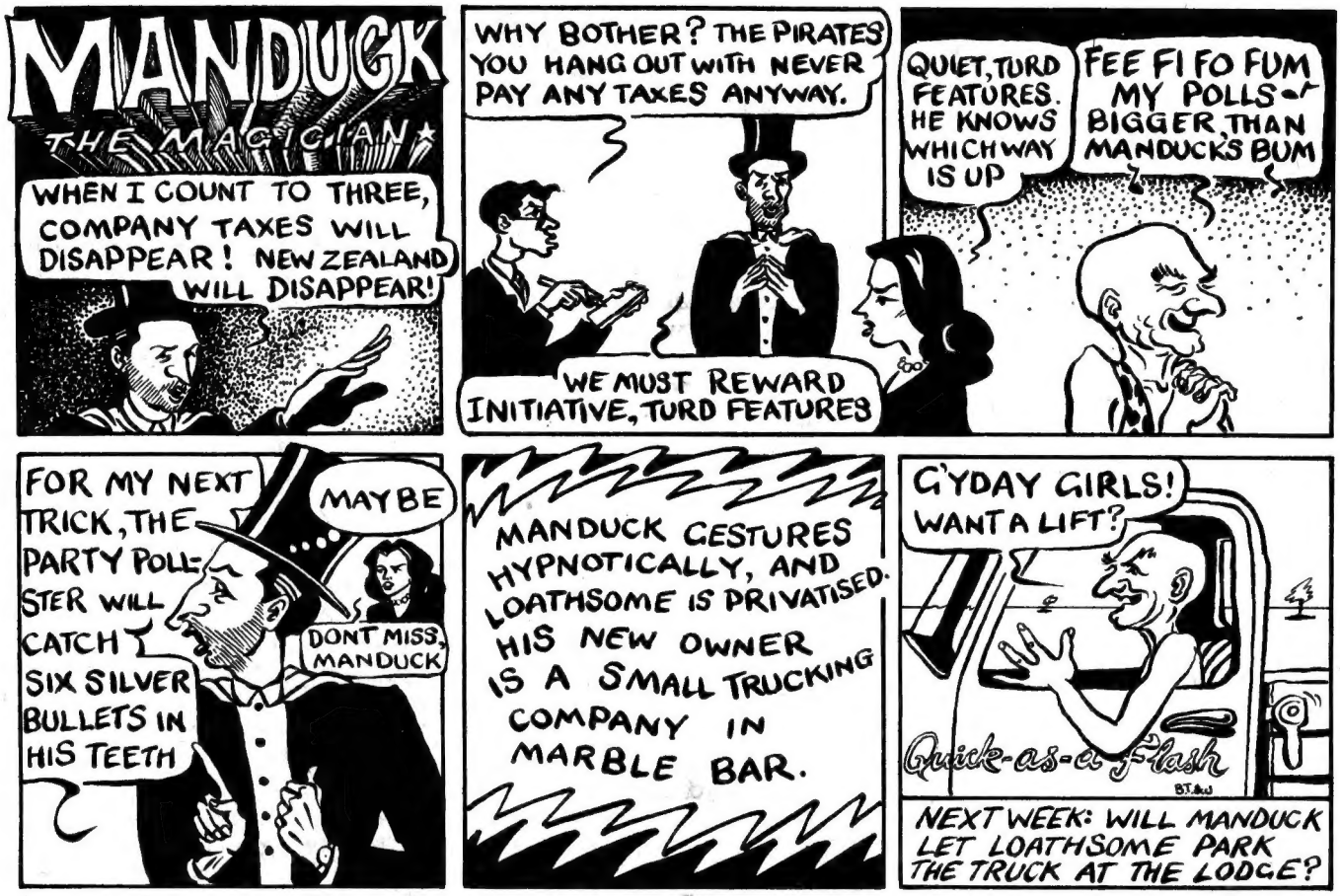
Officer Evans carries Broadcaster across the road to Mindy's and sits him at the piano. There are citizens hanging from the rafters and poking their beezers in at the window and generally crowding to be in attendance and a good deal of silence ensues as the citizens wait to see if he can play.

After a few moments Broadcaster sits up and begins to concentrate. But then he slumps somewhat and seems to have a tear in his eye. Suddenly his tail goes up and there is a very loud noise like a hurricane going through rubber piping and Officer Evans is flattened against the staircase and a number of citizens have their hats blown off.

We find Choo Choo Hill some time later in the kitchen talking to reporters. "It is tragic," he says. "I do everything I can."

"Does the horse die?" says one of the scribes.

"No" says Choo Choo Hill. "But as I say, I do everything I can."



The Excuse-Me, Is-There-A-Hole-For-Me-To-Be-Sick-In Department

CARLETON: Let's say that you ring Canberra and Bob comes on and you say, "How about we go fishing, up the Barrier Reef, like we did a year or two ago, I've got a great weekend lined up." And he says, "Sure, that would be tremendous, Frank. But, look, I was going to give you a call anyway. What about this fellow you've got down here in Canberra doing political reporting. He just doesn't know what he's on about. Why don't you get rid of him and get someone who knows his way around? How are you going to cope with that sort of political pressure?

Lowy: I don't think you really know what a friendship between two people really are (*sic*). First of all, you don't really impose on each other to ask something like that, and I'm sure Bob Hawke wouldn't ask me a question like that.

Carleton: He did it in the weeks before the 1983 election to Dame Leonie Kramer, the then chairperson of the ABC.

Lowy: I'm sure he wouldn't do it with me, particularly 'cos I'm friendly with him. If you are friends, you don't try to impose. You try to keep your friendship off the business and political level.

Richard Carleton's 60 Minutes interview with Ten Network boss Frank Lowy, 14/2/88

Walkleys

By Rupert Murdoch

Don't want to know

The NSW Supreme Court has been kind enough to grant an injunction aimed at preventing publication of a consultant's report that is highly critical of the management of the HCF medical insurance group. The Court last December ordered BW Walker Actuarial Services not to disseminate the report and Fairfax not to publish it.

A peculiar feature of this latest bout of censorship is that the court was told by HCF that *The Sydney Morning Herald* and *BRW* magazine had copies of the report. This was news to both these publications, as no one at either outlet seems to have any clue as to what it's all about. Even more peculiar was the decision by that great champion of journalistic freedom, Editor-in-Chief Chris Anderson not to fight the injunction. Given the strong representation of the NSW Government on the board of the HCF, the report has the potential to prove an embarrassment in the NSW election if it ever sees the light of day. But this requires an effort by big, well-staffed papers to actually get their hands on it.

Justice at Work

The former head of TV News and Current Affairs, Bob Kearsley, gave what would seem to be highly pertinent evidence before the Arbitration hearing into the ABC's decision that it was so overburdened with talent that it didn't need the services of Wendy Bacon. Kearsley told the commission that he heard ABC boss David Hill say that he would not employ Bacon at any price. This is in stark contrast to an earlier press release from Hill in which he denied a *Times on Sunday* report that this had occurred.

True to form, the AJA did not bother to call Hill to explore the matter on oath. More disturbingly, a *ToS* report on Kearsley's evidence was killed in its main edition, despite the lustre it added to its initial news break on the issue. It seems that it is not only the ABC where Bacon is blacklisted.

AUSTRALIAN TAX OFFICE

RORT PTY LTD*
AVOIDANCE OF INCOME TAX - INTERIM REPORT

Stallion Leasing Scheme:
The company entered into an arrangement in December 1979 to purchase three stallions from the United Kingdom, to be imported into Australia and used for breeding purposes. The total cost, including import duties, was $1,744,398.
It should be said at the outset that the cost of the stallions is suspected of being inflated by some $1,415,000 which is represented by two loans (one from a company supposedly based in Canada, and the other from one supposedly based in the US.)
The purpose behind Rort Pty Ltd entering into this elaborate scheme is patently obvious. *(The document then set out accounts showing the scheme created fake tax deductions of almost $900,000. -Ed)*
A more insidious motive for the inflated purchase of the stallions is that a vehicle has been created, with Reserve Bank approval, for the movement of large sums of money out of Australia, with the possibility of future back lending.

Overseas Loans:
The lending bodies are shown to be situated in Canada and the United States. These countries were chosen so that a Tax Clearance Certificate need not be sought. The company sought and was granted Reserve Bank approval for the overseas loans, which it has represented as having been arranged by the vendor.
Enquiries at both the United States and Canadian Consulates reveal that neither company is listed in telephone directories nor commercial indices.
When "loans" are granted by companies which are not recognised financial institutions, the question of whether the "loans" are merely "paper loans" must be raised, and whether the repayment of the loan is actually what it is alleged to be.
Although Rort Pty Ltd has a chartered accountant looking after its affairs, the purchase of the stallions was organised by another firm of accountants. The loans raised in Canada and the United States did not pass through the company's current account. It follows that the funds must have been remitted directly to the vendor (if at all).

Vendor of Stallions:
Although the documentary evidence (invoices, duties paid, insurance cover) suggests that the bona fide cost of the stallions is $1,744,398, an attempt was made to "get behind" the vendor [a UK stud farm].
This vendor had earlier attempted to gain an Australian Tax Clearance Certificate for the purpose of raising a Swiss loan for $US1,335,000 from a company which was controlled by him. The loan was to pay for 22 brood mares and three stallions that he, through his trustee company, wished to import into Australia for breeding purposes. It was established during the course of that enquiry that the cost of the livestock had been inflated. The matter went to the Board of Review which recently decided in favour of the Commissioner.
The vendor used the same accountant for this scheme as in the latest scheme.

Value of Stallions:
Mr J. Brady, the keeper of the records for the Bloodstock Breeders Association, was approached in order to establish what the value of the three stallions might be. He advised that, collectively, the overseas cost value would be between $200,000 and $300,000. Mr John Inglis of Inglis & Sons Pty Ltd, noted bloodstock agents, confirmed that the aggregate cost of the stallions would be no more than $300,000.

Business Aspects:
Rort Pty Ltd and Mr Mate* have entered into separate, but identical, lease agreements in respect of the three stallions. There is no doubt that the predominant purpose of the execution of these agreements is to obtain for Mr Mate a deduction as lessee, in terms of Section 51.
On 26 June 1981 Mr Mate drew his personal cheque for $212,976 in payment for the lease of the the three stallions up until 30 June 1980. .An immediate withdrawal of $215,000 against Rort's bank account in favour of [*another firm owned by Mr Mate*] gives rise to the suspicion that Mr Mate's payment may be a "round robin."
Reference made to Mr Mate's 1980 and 1981 returns of income indicate that he has made claims of $223,497 and $667,234 in those respective years for horse breeding expenditure, whilst there has been a nil return of income ..

**Eye pseudonym*

Licking the boots of Mr Mate

THE document reproduced on the opposite page is a shortened version of a Tax Office report on the sort of of millionaire our Labor Prime Minister is so aggressively pleased to call a friend. To question any association the PM might have with this man who has been a beneficiary of various government decisions, is to immediately provoke howls of outrage about the "tall poppy syndrome", and about wanting to tear down those "who have contributed so much to the country."

Whatever this contribution might be, it has not included shouldering a fair share of the tax burden. Yet the Prime Minister, who claims to be so in touch with ordinary people, persists in fawning all over the Mr Mates of this world.

The final wash-up from the particular scheme outlined opposite is not publicly available. Claiming a tax deduction of almost $900,000, however, for a hobby that earned not a cent was a bold enough stoke to provoke ongoing investigations. But this was just a mere sideline to Mr Mate's main tax scam which has involved bogus transactions through a series of trusts.

In this case, the Tax Office did not pursue court action despite the millions at stake. Instead they allowed Mr Mate to settle for only a fraction of what they claimed was owing. One of the worst aspects of the stallion scheme — the creation of a vehicle for the transfer of large sums out of Australia for tax fraud purposes — has not been addressed in subsequent years. Indeed, the position has become far worse following Treasurer Paul Keating's decision to abolish most foreign exchange reporting requirements at the time of the floating of the dollar.

The Auditor-General recently noted that there are now thousands of companies that have established facilities to engage in offshore tax evasion, yet this has been virtually ignored by the Government. Hordes of ordinary taxpayers are now facing desk audits. Presumably, to apply the spirit of the law in an even-handed way to Mr Mate and his ilk might stifle their "entrepreneurial spirit".

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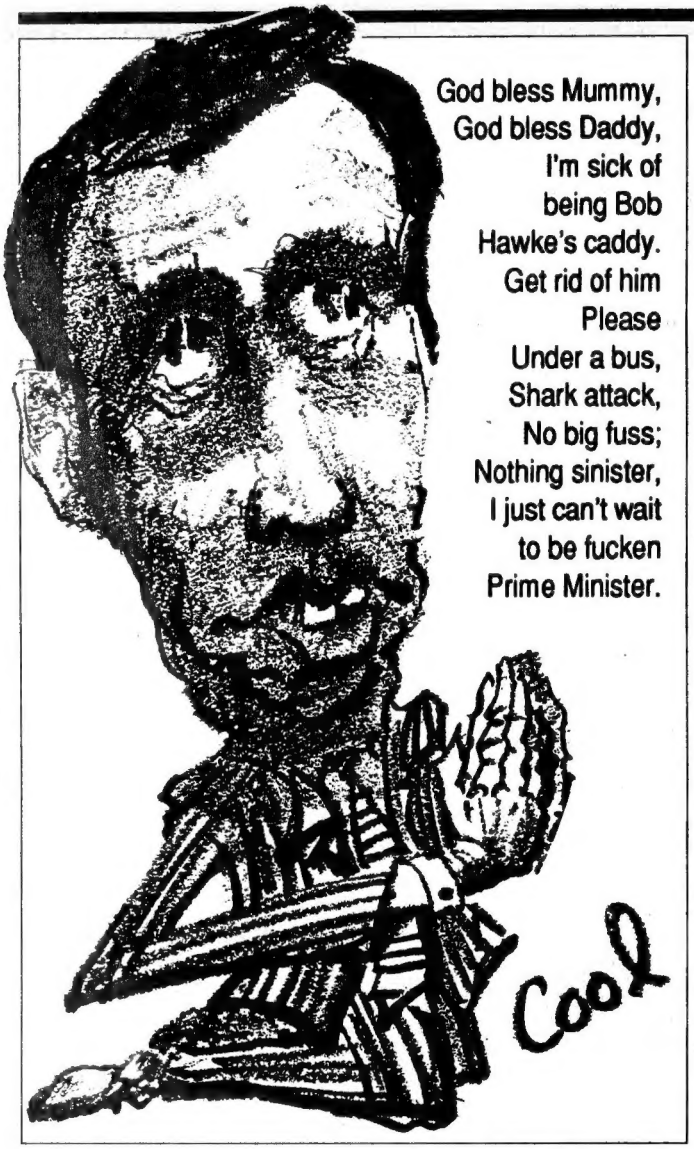


Travesty makes the connection

"MY name is Travesty, Damien Travesty". The Director-General sneered, "Your name is mud, remember that". He nodded to the three-fingered thug who stood behind the chair they tied me to, "Kong, help Mr Mud remember that". Kong stepped round and slapped me hard across my handsome, chiseled features. His horribly deformed hand raised three red weals that could be seen through the gunmetal blue shadow of my manly three-day growth. I grunted purposefully and smiled my hard, cynical grin. I never knew a bad hat who wasn't chilled to the core by my hard ,cynical grin.

"Stop your blubbering Travesty, and and wipe that stupid grin off your face. You're in a big load of trouble, boy".

I settled comfortably within the folds of my Niemann Marcus Newshound Trenchcoat. "Dateline" Travesty was about to blow the whistle on the activities of yet another secret underworld criminal brotherhood. The brotherhood of Telecom.

I looked around the old, disused warehouse they'd brought me to. It was just the D-G, Kong and me to keep about 5,000 unsold Computerphones company. Probably the same place they brought anybody who got in the way of their mad scheme to completely control The Market, I thought.

People like Mrs Bush, old lady, grandmother and victim. Mrs Bush had burst into my office a week ago clutching a handful of papers and an armload of grief. She was being stood over. She didn't know who they were, just what they wanted; money, and lots of it.

She showed me the notes. They'd started turning up three weeks before, demanding money. It was just small sums at first, but the blackmailer's thirst is never slaked and the last of the notes demanded $900,000. When she didn't pay up immediately a rock came sailing through the sewing room window. It told her to pay up, or the "boys" would be around to "cut her off".

She was in a terrible state, on the verge of a breakdown, close to paying up and moving out. She came to me because she thought I was the best. I told her not to worry, I'd sort it out.

When she left I poured myself a slug of Darjeeling and scooped three sugars in. It was my sixth of the day. I think I knew who was behind the extortion racket. Mrs Bush wasn't the only victim. There'd been a lot of folks getting a lot of notes like hers recently. And while there were plenty of organisations capable of extorting old ladies, there was only one desperate enough to try it on this scale. Besides they'd given themselves away with the threat to "cut her off". That was a traditional punishment for failing the Organisation.

I got on the blower to Telecom HQ. I used a secret number to get through the security net that puts most callers in a holding pattern so long that they just ring off. I got straight through to the Ops centre and told them who I was working for. I told them to get off her case.

They came and got me at midnight.

D-G stalked around me. He wasn't too sure what was

happening but my presence meant that it was probably all bad.

"Why are you here, Travesty?" he growled.

"Because Kong and a few of the boys came and dragged me out of bed and brought me here".

"Don't be a smart-arse son. You know what I mean!"

I could see his grip wasn't too sure. He must have been under enormous pressure recently, what with the timed-charge issue and all the Jana Wendt hassles. I decided to loosen his grip a bit more.

I let rip with another cynical grin. "You're doomed, Mr Director. I'm onto you. You can't keep pulling stunts like the Bush job and the timed-charges debacle".

That got him, "It was not a debacle! And Mrs Bush's readings were checked three times. She owes us close to a million dollars".

"But she doesn't own a telephone".

"That's her story. We know differently." He was getting agitated, "People love Telecom. We're a Great Australian Institution. They'd never let us be broken up and sold off. Never!" He was ranting now. "We'll have an advertising campaign. That'll do it. Then they'll love us even more. They would have loved timed calls, you know. It would have made them a lot cheaper. We weren't going to make any money out of it. It would have cost us, actually. Millions, maybe billions of dollars. We probably would have had to put the charges up to pay for the whole thing."

His disintegration was staggering. The pressure must have been even greater than I suspected. For years Telecom had operated beyond the pale, well out past the boundaries of human decency, deep down the path of wild jungle profits. Anyone who could possibly give them any trouble was already in their pocket. And if they couldn't be bought off, then there were always the boys, ever eager to come around and "cut you off".

But no longer. All this was changing. They knew they were looking down the Barrel. And the sprawling octopus had struck out blindly in all directions. Now it was pay-back time.

The D-G was lost in his own ramblings. Kong was standing beside him twiddling what fingers he had. He was a bit like Telecom itself, big and powerful but not overly endowed in the brains department. I worked on the bindings that held me to the chair and in a few minutes I was free.

D-G glanced up at me when he noticed but he didn't seem too interested. I think he understood that the game was up a long time before he met me. He agreed to let me go, and to lay off Mrs Bush, as long as I kept the story under my hat long enough for him to get out of the country. He said he would probably go to Chile. I said that was probably a wise move. A lot of new opportunities are opening up in the telecommunications field in Chile.

—JOHN BIRMINGHAM

The failure o

By William Pinwill

Behold me, charged with the care of government. I am not the best among you; I need all your advice and all your help. If I do well, support me; if I make mistakes, counsel me. To tell the truth to a person commissioned to rule is faithful allegiance; to conceal it is treason.

Abu Bakar,
first Caliph of Islam

IT'S TIME that Bob Hawke's advisers started to show some "faith ful allegiance"' by pointing out that his conduct of Australia's international relations is leading this nation in dangerous directions.

In most areas where Hawke has put his stamp on foreign affairs — the Middle East, US trade, Indochina, uranium sales, Fiji, the Pacific — the result has been marked by abdication of principle, renunciation of Australian values, and failure to achieve any advantage for this country.

International diplomacy requires subtle toughness and veiled compassion. It is one arena where Hawke's blend of blatant pragmatism and uncontrolled emotionalism does not work.

The shame is that in Bill Hayden Australia has one of the most thoughtful and knowledgeable foreign ministers in our history. But his influence in key areas is eroded by the positions taken by Hawke, usually backed by the tunnel-visioned advice of the head of the Office of National Assessments, Michael Cook.

The Prime Minister's uncompromising commitment to Israel — probably the most lasting loyalty of his life — is the most serious obstacle to a rational, principled, equitable Australian foreign policy.

For nearly three months he kept absolutely silent as more than 50 Palestinian civilians were murdered by Israeli occupation forces, and others were forcibly deported in violation of the Geneva Protocols.

As early as mid-December the Foreign Affairs Department, through acting Minister Duffy, expressed concern about the situation in the occupied territories. Hayden twice spoke out strongly in January, delivering on January 14 the strongest rebuke Australia has ever directed against Israel.

Only after Hayden's visit to Israel in mid-February and his condemnation of Israeli state policy was Hawke forced into a public statement.

By alienating a large part of the Arab and Muslim world, Hawke's love affair with Israel is both bad diplomacy and bad politics.

The kinds of pressures exerted by Israel on Australian prime ministers are tellingly described by Gough Whitlam in his book The Whi*tlam Government*. After the 1973 Middle East war broke out, the Israeli Ambassador sought an urgent meeting with Prime Minister Whitlam.

"He told me that the French manufacturers would not replace the Mirage fighters which Israel had lost and his Government wished to borrow ours. He suggested a discreet means of delivery. I told him of my misgivings but said that I would seek urgent advice from the Department of Foreign Affairs. When I told Waller [the permanent head] he snorted: 'They put the same proposition to Gorton after the 1967 war.'"

Body Politic

Instead, the Whitlam Government sought to practise an even-handed policy, "despite some political pressure and even blackmail brought to bear on me," Whitlam writes.

Hawke's decision to expel the Libyan diplomatic mission last year must have delighted the Israeli Government. Curiously, I am told on good authority there was no recommendation to that effect from any relevant Australian department or agency at the time the Prime Minister took the decision.

Australia has gained nothing from his constant support of Israel, and a large number of Muslim Australians, many of whom live in marginal electorates, feel betrayed by the policy of

f pragmatism

their adopted Government. Has Hawke expressed abhorrenceof Israel's collaboration with the apartheid regime in South Africa in military intelligence and nuclear know-how?

In Fiji, Hawke's gutless flight from principle in legitimising the military overthrow of an elected Labour Government has deprived Australia of any chance of encouraging the growth of representative democracy in the region. Future historians, for example, will date the start of the process that leads to the military coup in Papua New Guinea from Canberra's recognition of the "state" of Fiji. Except for some tough and persistent criticism from the Fijian-born democrat Don Dunstan, Hawke's opportunistic hypocrisy in recognising the Rabuka-installed regime and resuming Australian Government aid has gone virtually unopposed.

But the new policy of extending diplomatic recognition to states rather than governments does not embrace Kampuchea, where neutral observers have witnessed local elections just as fair as any in the nation's post-independence history.

Certainly our ASEAN neighbours believe the "state-to-state" policy obliges Australia to recognise the state of Kampuchea, where a government resides in the capital, collects taxes and administers the country despite a foreign inspired and supported guerrilla war. In fact these ASEAN fears (they recognise governments, not states) killed off the switch to state recognition when Foreign Affairs suggested it some years ago.

This time, the ASEAN governments were privately assured it would not mean Canberra recognising Kampuchea.

In Vietnam, the myopia of Hawke's refusal of development aid — which follows the dictates of his "mate" George Shultz instead of the platform of the Labor Party — is reflected in lost trade opportunities. Yet his mateship with the US Secretary of State has not enabled Hawke to deliver on the two most important issues in US-Australian relations. A massive campaign to persuade Washington to adopt non-protectionist trade policies has utterly failed, and Hawke could do nothing to save Australia's primary producers.

On the diplomatic front, the US has made us look fools and undermined our fragile influence in the South Pacific by refusing to sign the nuclear-free zone Treaty of Rarotonga. Australian diplomats had fought hard and long to win the support of Pacific governments for a watered-down version (allowing US nuclear ships in the zone) — on the grounds that this was the only way to get the Americans to sign.

In the event, though the State Department said it would be "an insult" to Canberra not to sign the treaty, the hard-liners at the Pentagon won out. Shultz could not deliver to his mate.

The Prime Minister's sycophantic support of Washington, exemplified in his decision to allow testing of the MX missile in our waters without any consultation with his Australian colleagues, has gone unnoticed and unrewarded by the Reagan Administration in areas such as trade concessions. His lapdog willingness to side with Washington against the principled stand on nuclear ship visits taken by David Lange has won Australia no better treatment than the rebellious New Zealanders.

Hawke has not only remained silent as human rights are extinguished in Malaysia by a corrupt government, but he allowed the Governor-General to make a state visit on the eve of the crackdown, thus conferring implicit approval on the totalitarian and regionally destabilising policies of the Mahathir Government.

A prudent and principled prime minister would have advised his head-of-state to defer the visit.

It is more than coincidence that the closest thing to a mate Hawke has in our region is Lee Kuan Yew, another former socialist.

The net effect of Hawke's intervention in international affairs has been to diminish Australia's standing and to alienate true democrats in the Pacific and Asia, without any concomitant rewards for his pragmatism.

Someone should tell Hawke the truth; to conceal it is treason.

Put me right if you discover any crookedness in me.

Omar, second Caliph of Islam

Money Talk

DEAR KEITH,

Great to hear you made it to the Carnivale at Rio. There are still some advantages to South American exile!

While you were enjoying yourself in Rio some of your mates here were learning to suck eggs again. They were learning something which most of us picked up on weeks ago — you don't mess with Sir Peter Abeles.

Ian Joye and Larry Adler have got themselves in a dreadful tangle over Cumberland Credit. Fancy trying to flick-pass Abeles and offer his co-shareholders 20 cents a share more than the good Sir Peter had set. Yet that's just what happened with Cumberland. And to top it all off Sir Peter doesn't like it when the boys walk away from their companies — even when they are fellow Hungarians.

It's a fascinating battle. And as we all know, Sir Peter knows how to fight back. He's picked up more dirt than a front end loader.

Lady Mary Fairfax hasn't taken sides. She had Larry and Ian over for a little soiree at Fairwater the other night. The food was very '70s (Lamb Noisettes) and the wine pedestrian (Houghtons White Burgundy). But the guest list was intriguing: Wran, John MacBean, Stephen Loosely, Adler, Joye, Bill Simon (ex-Ariadne) and Bill Lane, the US Ambassador.

Joye seems badly affected by the Cumberland affair. His wife Judy has taken to ringing up journalists and crying over the phone about taunts in the playground. Ian has taken her off to Zermatt, skiing. I wonder if they'll have the Australian newspapers delivered by TNT courier.

But Joye's problems are minor compared to poor Laurie Connell. It seems he's finished at Fairfax — they've changed the locks on the board room. And that $80 million advice fee he fought for so well is now likely to finish up in the courts. Those Fairfax farts are calling it a "success fee" now. How would you feel? Laurie's already cashed it in with one of the French banks and to top it all off one of Bondy's companies went guarantor. I can picture it now — Bond Battles Connell — it's all too ugly!

When you left, Connell was king and now he is about as well- connected as Laurie Brereton. There is a ticking bomb in the Swan Building Society collapse too. One of those over-enthusiastic Perth reporters has picked up on a perfectly reasonable method of accounting.

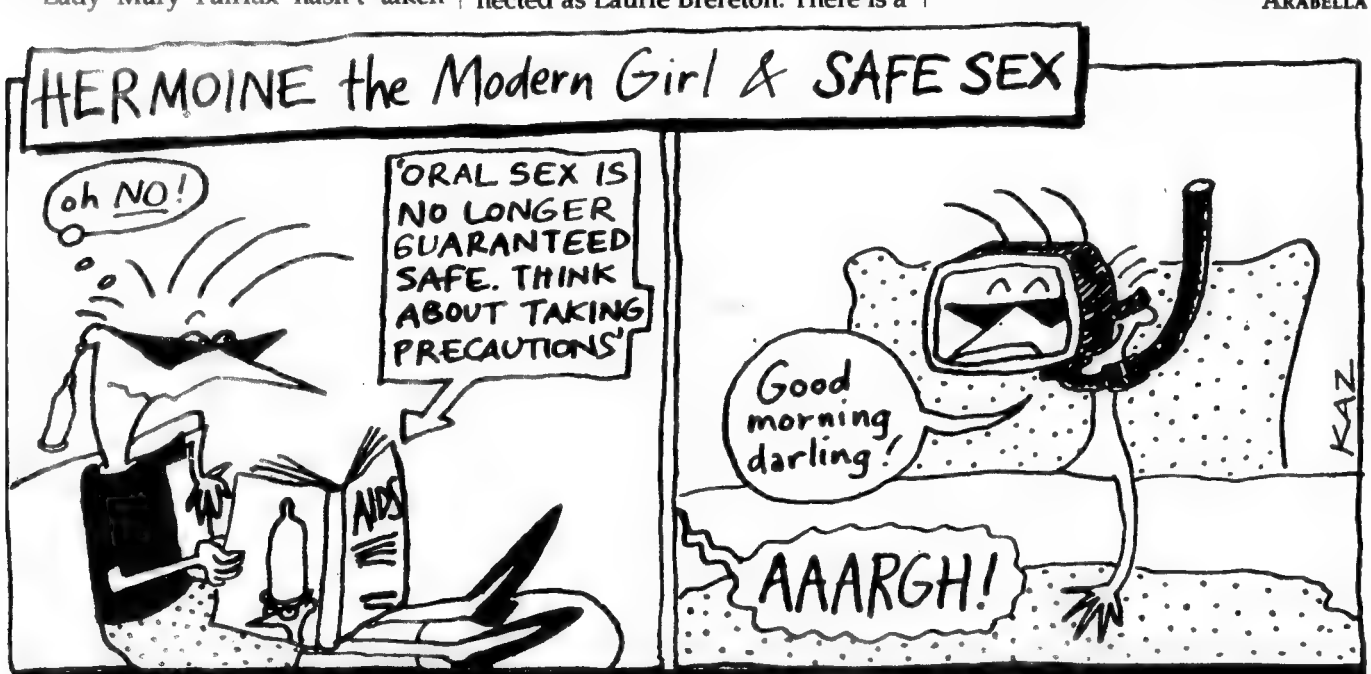
Swan had a loan of $5.8 million to a finance company in the West called Jayand. Swan gave it across to Rothwells for a couple of months while Swan's auditors were in and the accounts being prepared. And then Swan took it back again again, in time for Rothwells' accounts to be prepared. Of course, Rothwells were well secured on the whole thing — Swan took full liability even when it was in Rothwells' books.

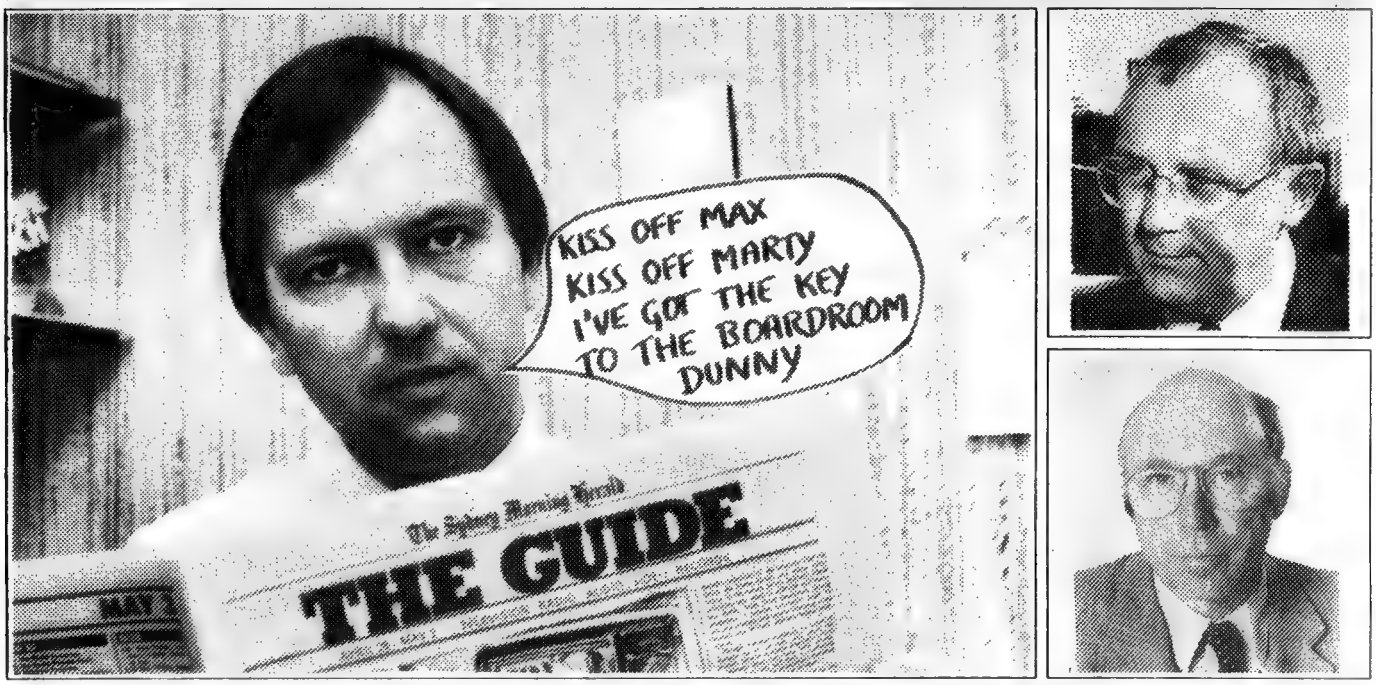
Swan Building Society had a May 31 balance date and Rothwells a July 31 balance date. And that gap made the game of swappies possible. Meanwhile, the loan turns up on no-one's books — a figment of the borrower's imagination. Very clever.

We are still waiting on the Brush Martin trial in Perth. If you could buy tickets to it, it would be more popular than Bruce Springsteen. Bit of an opportunity there. Maybe they should hold it at the WACA.

You'll be pleased to know that Elliott and the boys in Melbourne have still managed to clean up on Elders. You've got to admire them — post-crash and post-BHP victory, they are still going to end up with a hefty slice of Elders on concessional finance. Their little corporate vehicle is Harlin— an acronym, I suspect, for How All Rich Lads Invent Nirvana.

ARABELLA





Anderson in action; while Dougherty, top right, and Suich, bottom right, consider their futures.

The ascension of St Christopher

By Brian Toohey

HANG on a minute! Isn't the man journalists carried shoulder-high onto the board of Fairfax the same Hans Christian Anderson we know? The journalist who, as editor of *The Sun-Herald*, published material from a fabrication suggesting that Donald Mackay, the anti-drugs campaigner, had been murdered by his wife and son?

The journalist who, as editor of *The Sydney Morning Herald*, refused to publish the *Age* tapes?

The journalist who, as editor-in-chief of the *Times on Sunday*, agreed to block publication of a piece about the political significance of Hawke and Keating consorting with their rich mates?

The one who, as editor-in-chief of the *SMH*, refused to run a tough piece on the unlovely banker (and Fairfax board member), Laurie Connell?

And the fearless soul who pulped thousands of *Times on Sundays* carrying a sensitive report of negotiations between Fairfax management and Holmes à Court.

It is indeed. Yet there was the atmosphere of a tent revivalist meeting when board members addressed the Fairfax journalists following the departure of Marty Dougherty and the anointing of Anderson: the dragon had been slain, and St Christopher would protect us all. Amen.

But who is Chris Anderson, and how come he is the main beneficiary of the journalists' stand for editorial independence? And what happened to the old Fairfax distinction between management and editorial?

Chris Anderson made his first big career jump in the early '70s when he became political correspondent on *The Sun-Herald*, where he had been an honest toiler on "Dog of the Week. But the nick-name he quickly gained in Canberra, Hans Christian, had at least some genesis in the kind of stories he wrote. Playing on a wicket made for prolific journalists, he rarely troubled the scorer. However, this did not stop him from cementing relations with some of the more egregious members of the NSW Right.

Back from Canberra, Anderson was heading into comfortable obscurity when Max Suich selected him to be his deputy on *The Sun-Herald*. It was seen as a classic case of the loud, power-hungry, high-living but talented supremo choosing a dull but loyal (and always sober) number two: Bob Hawke and Lionel Bowen; Gough Whitlam and Lance Barnard. The idea that Hans Christian would make it to the board occurred to no-one, except, possibly, himself.

When Suich was made chief editorial executive — a new position, which was supposed to ensure a clear demarcation between the management and journalism — Anderson was again chosen to be the loyal workhorse, this time under the new *SMH* editor-in-chief, Vic Carroll.

When Carroll retired after revamping the paper, Anderson cruised into his job. Eric Beecher, now at the Melbourne *Herald*, was brought in as editor, and the *SMH* staff divided into Chris's people and Eric's. Beecher was more willing to back a good story. He had been in favour of running the *Age* tapes. Anderson at the

time justified his refusal to touch a topic so sensitive for the NSW Right by saying that he didn't want the front page of his paper looking like the *Sunday Telegraph*. (He made no mention of the front page of the *Sun-Herald* — see *The Eye*, November 1987 — where the Mackay concoction had appeared. *The Age*, of course, managed to run the tapes stories without noticeable loss of aesthetic appeal.)

Anderson subsequently admitted that his failure to run the story was an error of judgment; though more recently he prefers the account given in a book on the Murphy affair which sees his decision not to publish as heroism of a high order.

Publishing the *Age* tapes wasn't the only thing that Anderson didn't do. As his mentor Suich roamed the world, staying at the Savoy, flying Concorde, ordering only the finest wines, and keeping the chauffeured Rollers waiting, Anderson remained at his desk. It was around this time that he began reminding people that he wasn't a long-luncher.

He cultivated the Fairfax board, especially John and James Fairfax, who were taken with his aura of quiet confidence. He was particularly proud of his marketing skills and of his "toughness" (especially with staff other than the barely literate bullies he likes to promote to baby executive jobs).

Increasingly, Anderson was openly critical of Suich. Some of his barbs about his old boss surprised journalists, but what rankled with him most was that to the outside world it was Suich who was seen as riding high in the company. For the last couple of years he was secure enough to move to open confrontation with Suich, and to let it be known that he expected to move to a more senior position in the company. Knowing when to crawl, and when to stab can be so critical to an otherwise unpromising career path.

Suich's response was revealing. As Anderson increased the pressure, Suich began heaping extravagant praise on him, boasting about how well they got on together, and how his protege could now be given greater responsibilities. In private, their meetings became stormy.

By late last year, with Suich due to go to the London office of Fairfax for an indefinite period, victory looked within Anderson's grasp.

The prize was of considerable importance to the standard of journalism in this country. Because James Fairfax was such a tolerant proprietor, with a genuine commitment to pluralism among his publications, the role of the person who ran the editorial side of the company was all the greater. Politicians like Neville Wran and Paul Keating and businessmen like Bond, Abeles and Packer, who believe that the world is run by wheelers and dealers, and that all problems with the press can be fixed, found themselves unable to get a handle on Fairfax. And they resented the fact.

> *"Knowing when to crawl, and when to stab can be so critical to an otherwise unpromising career path"*

Suich — himself a wheeler-dealer by nature — became sandwiched between the expectations of this pack of wolves and of those journalists who acted on the (correct) assumption that when James Fairfax spoke of editorial independence he meant it. Intense animosity was generated in the Wran-Abeles-Packer world when stories they hated managed to appear in the Fairfax papers. It was hard to say at times what angered them more: the stories themselves, or their inability to prevent their publication.

Dismayed that James had ousted her husband as chairman, Lady Mary Fairfax became a focus for this resentment. Over endless dinners at Fairwater, the need to pull the Fairfax journalists into line was discussed. A prominent figure was Lady Mary's neighbour, adviser and confidant, Marty Dougherty, flack, tabloid hack, lobbyist and informal intermediary for Sir Peter Abeles.

As long ago as the first Hawke challenge to Hayden's leadership, in 1982, Dougherty was coming the heavy on Suich over a straightforward story in *The National Times* on Hawke's business friends (chief of whom was, of course, Sir Peter); a topic whose relevance has hardly faded with time. But this was nothing to the fury which descended on the paper when Marian Wilkinson detailed Abeles' dealings with the US Mafia. Indeed, Hawke has still not recovered from the anger he felt on Sir Peter's behalf the night that story appeared — a night he spent at Sir Peter's mansion commiserating over the indignity of it all.

James Fairfax accepted the withdrawal of Abeles' advertising — millions of TNT and Ansett dollars — with equanimity. Lady Mary responded by finding a seat for Sir Peter on the Australian Opera. The pressure from Abeles, often channelled through Dougherty, never relented.

Within the company, Suich was capable of exerting extraordinary pressure on the journalists. Jeff Penberthy, then managing editor of *The National Times*, sent Suich into wild tantrums with a story he proposed publishing about a Fraud Squad investigation into the burning, allegedly on the instructions of Fairfax executives, of documents relating to the sale of a printing press. A series of truncated stories was eventually published, well back in the paper, but only after savage arguments. Again there was no Board distaste for publishing; more a managerial desire to protect managerial hides.

Suich also tried to persuade the editor of the *Times on Sunday*, Robert Haupt, to emasculate a story in that paper's inaugural editions about Paul Keating's relationship with the property millionaire, Warren Anderson. The story was published, and put Keating among the ranks of those who swore vengeance on Fairfax, the *Times on Sunday*, and its journalists.

A sign of Anderson's growing power in Fairfax was his appointment as editor-in-chief of the *Times on Sunday*, a post he held concurrently with that at the *SMH*. But although Suich's authority was on the decline he was still able to get Anderson to kill the story about Hawke and Keating cavorting with their rich mates. (Haupt resigned).

In the wake of the Port Adelaide by-election, this analysis is now part of mainstream commentary, but at the time Keating was leaning very heavily on the company over such issues as TV cross-ownership. He made his punitive attitude

plain to Suich over dinner shortly before the article was blocked. (Readers can find the full text in *The Eye*, July 1987)

It was to be one of Suich's last gasps. The death of Sir Warwick Fairfax gave Lady Mary, his widow, the opening she needed. Encouraged by Sir Peter and Marty, and with the "help" of such an unlikely financier as "Last Resort" Laurie Connell, her son Warwick embarked on his misshapen takeover bid.

From being a persistent irritant on the outside, suddenly Dougherty was given a position on the inside that Suich and Anderson could never have hoped to have pulled off: on the board, boss of all editorial, and with the title of managing director. Seemingly inseparable from Warwick as sole owner, Dougherty had what appeared to be untrammeled power. Even before he arrived, he had looked forward to squeezing out four top executives, including Suich and Anderson. All but Anderson reached for the parachutes before he arrived.

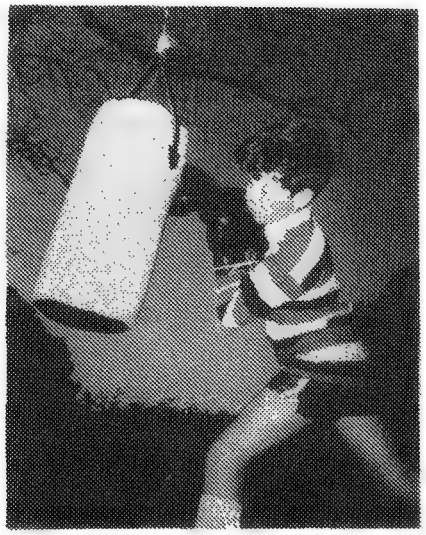
Apparently confident that he would be able to handle Dougherty, Anderson found himself out-manoeuvred. Dougherty had not seized the main prize to have Anderson snapping at his heels. For the first time in his painstakingly constructed career, Anderson was facing an insurmountable obstacle. He did a most uncharacteristic thing, and resigned.

Dougherty immediately installed his own man, Andrew Clark, in Anderson's job. The *SMH* editor, John Alexander, who had had numerous run-ins with the explosively temperamental Clark as his deputy on Packer's *Australian Business*, also took a powder. So did other key staff.

Anderson couldn't have been luckier. Lady Mary had by this stage become disenchanted with her neighbour ("Dougherty," she told one journalist, "has cast a spell over my son").

Even better for Anderson, he had become the focal point for a strike over journalistic independence. The industrial action caught Australian Journalists Association officials, who had been busy wining and dining with Dougherty, offguard. It also moved so fast that many journalists were left with little time to fully consider what the sudden beatification of Anderson meant.

Lost in the turmoil was the unattractive fact that it was Anderson, not Dougherty, who had refused to publish the story (by senior writers Ryan and Keenan) on Connell. Dougherty's one demonstrated intervention, when he asked for a story on Fairfax share payments to be held over for a day, scarcely rated alongside some of the demands made by Anderson and Suich in the past. True, everything about Dougherty's background suggested that he would have been a monster in the job. But that's hardly the issue, now.



Take that, Rupert! Take that, Kerry! The young Warwick in training for a career in conflict resolution.

The problem of editorial integrity remains, even if industrial action in the Australian media has rarely been as effective on one level as in this case. Part of the reason was the SMH Finance section's ploy of naming Dougherty in their motion of no-confidence in the management.

This was inserted in the hope that it would provoke a thumbs down for him from the banks to which Warwick Fairfax was precariously in hock. But there was the added, if unanticipated bonus, that the Christians Warwick had introduced into the company — Ron Cotton, supposedly on equal ranking with Dougherty as the other managing director, and chief executive Peter King — relished the opportunity to consolidate their own power.

As Dougherty became increasingly embroiled in the strike, at the same time as trying to get the stalled asset sales moving again, Cotton was constantly on the phone to King and to Warwick. The day King arrived from overseas to take up his job, he had made up his mind to chop Dougherty. This he did with great despatch.

Who should be handy, waiting on the shelf, a little shop-soiled, but ready as ever to serve — this time with the blessing of the journalists? Hans Christian Anderson. He has now stepped directly on to the board, into Dougherty's 14th floor office, and to a role Fairfax had hitherto scrupulously avoided creating: an executive with editorial control who also had responsibilities on the commercial side of the company.

Oddly enough, one of Suich's last acts illustrates perfectly the conflict that can easily arise when these roles are combined. After a critical story on his finances, Alan Bond withdrew all advertising from Fairfax (including the beer advertising from the Seven Network). Suich, as chief editorial executive, stuck his nose into the negotiations by Fairfax to get the ads back. When a straight-up-down story about Bond was slotted for the *Times on Sunday*, Suich killed it.

Quandaries like these will confront Anderson every day in his new role. In future, if confronted with angry politicians threatening to use government regulations to undermine Fairfax (or, as Neville Wran did, withdrawing government advertising) where would Anderson see his first duty? To the story that upset the politicians, or to the commercial health of his highly-vulnerable company?

And what will he make of the offerings from Fairfax's new advisers — Whitlam Turnbull, a bank established with the money from one Fairfax's predators and most vehement critics, Kerry Packer. Incidentally, both its principals, Nick Whitlam and Malcolm Turnbull have recently sued Fairfax for defamation. Yet Turnbull's services have been offered on the libel, as well as the financial, front.

Judge for yourself the chances of a fairytale ending, with Kerry waiting in the wings and Chris guarding the portal.

NEVER SEND A BOY TO DO A MAN'S JOB

STOP PRESS: Just released! The Official 'Young Wocka' t-shirt, with your favorite character 'Young Wocka' in full living monotone. Sizes available: S, M, L, XL. Send $15 to Young Wocka Enterprises, 34 Chapman Street, North Melbourne. 3051.

The company they keep

By Wendy Bacon and Murray Hogarth

BOB HAWKE has never been one to miss a vote-winning photo opportunity, but a photo session in which he cooperated with the mysterious right-wing activist Rod Kelly in 1983 has been a thorn in his side ever since.

Kelly used photographs taken of himself posing with Hawke to promote himself in business, political, and military circles in Fiji before the coup. He had earlier used them in a 1984 campaign against the national leadership of the Metal Workers Union, as head of a "reform" group of candidates.

Ironically, the left-wing Metals Workers officials against whom Kelly worked, have always been heavy donors to Labor election campaigns, giving $100,000 for Hawke's re-election last year. They have also been the backbone of the Accord which is so central to Hawke's economic strategy of cutting real wages.

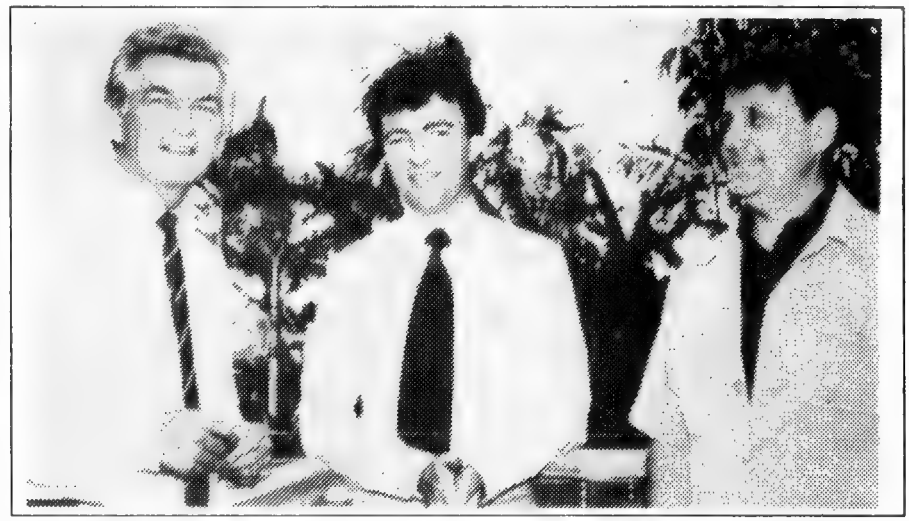
When the leadership of the union took exception to Kelly's campaign use of the photo in its 1984 elections, Hawke made it "absolutely clear" via ACTU secretary Bill Kelty that the photos were taken in a "political context and not in an industrial context". And when the Fiji use of the photos was raised in the Parliament last year, Senator Gareth Evans said Kelly was known to Hawke but that the association was not a close one.

However, two key participants in the picture session have a quite different recollection of the episode, which occurred at an ALP fundraising barbecue in the garden of right-wing Labor politician Con Sciacca in Brisbane shortly before the October 1983 Queensland election.

Pat Hennessy, a former member of the "reform" group who was photographed with Hawke and Kelly, and Adrian Horin, the photographer who shot the session, say their understanding was that Hawke was aware the photos were being taken for union election purposes.

Horin has set out his account of the events in an affidavit, a copy of which has been obtained by *The Eye*. He said Kelly booked him for the photo shoot two or three weeks before the barbecue and that he knew Hawke was expected to be involved two or three days beforehand.

Hennessy told *The Eye* he was informed by Kelly the night before the barbecue that he would be photographed with Hawke the next day. He said he was introduced to Hawke as "the person who was to run for president of the Queensland metal workers union." Hawke appeared to know Kelly well, calling him "Kell", a point also recalled by Horin.



Hawke, Kelly and Hennessy: the photograph as it appeared in 1984 Metal Worker's "reform" group publicity material.

"Hawke knew exactly what was going on. There was no doubt about that and that was the only reason why I sort of got in (decided to stand). I was introduced to everyone as Pat Hennessy who's standing against Bryant (Burns) in the metal workers election. I'm talking about Hawke's minders and these sort of people," Hennessy said. Hennessy had been asked by Kelly to challenge Burns (now a Labor Senator) for State president of the Metal Workers in January 1984. He said that Kelly's ability to organise the photo session with Hawke was a decisive factor in his final decision to stand.

Hennessy and another former "reform" group member, Mick Jess, were invited late last year to run again for the group in this year's union elections. They refused, because of fears that group's funds were coming from the Catholic-dominated, far-right National Civic Council, which has organised (often in secret) against left-wing activists in unions and the ALP since the early 1950s.

As well as dealing with Kelly when they joined the "reform" group, Hennessy and Jess had close contacts with a Kelly associate, Bob McNeill. Last year a Telecom technician traced the silent contact number that McNeill gave them to the NCC headquarters in Brisbane. But Kelly, an active member of the Centre Unity faction in Victoria, has consistently denied that the reform group has NCC backing.

Sciacca has told *The Eye*, however, that he thought McNeill was a member of the Industrial Action Fund — an NCC offshoot in Queensland.

This information and related issues have been pursued at various times in the past six months by reporters at SBS-TV, *The Australian* and the *Times on Sunday*, although the two newspapers have decided against publishing stories. Questions put to Hawke's office by journalists about his association with Kelly were not answered.

After failing in the Metal Workers challenge, Kelly and Brian Hoffman, an extreme anti-communist who has declared that his aim is to overthrow the socialist government in his native Seychelles, opened a suite of offices in St Kilda Road, Melbourne. The office was used for other union activities, including efforts to ensure a poor position for John Halfpenny on the Victorian ALP 1987 Senate ticket. (Halfpenny ultimately managed only sixth place and was not elected.)

The office has also been used by Kelly as the headquarters of the Labor Association for Pacific Understanding, an organisation of ALP members involved in Pacific affairs. Kelly also spent time in Fiji where his activities caused serious questing from supporters of the deposed PM, Dr Bavadra. He paid part of the rent on the Melbourne office although it was rented in the name of Seychellian-born accountant, Vital D'Unienville.

D'Unienville told *The Eye* that he used the office for private accountancy work and was not involved in Kelly's political activities. He said, however, he was aware that in 1984 and 1985 leading ALP identities would ring and visit the office regularly. Among those who rang was a man called Hawke. D'Unienville said he understood this to be the Prime Minister.

On another occasion, he said, he was at Kelly's house when the person called Hawke rang. Afterwards, Kelly had said it was "the Boss."

The Untouchables

ON the morning of March 1, Jana Wendt interviewed three people intimately concerned with the furore surrounding the Fitzgerald inquiry, former senior Cabinet Minister Russell Hinze, Barber, Stefan Ackerie and Police Commissioner Sir Terence Lewis. They talked to Jana about the Fitzgerald inquiry and the impact it had caused. Here is the unedited account of that interview.

Wendt: Good evening gentlemen. I'd like to start if I may with Sir Terence Lewis. Sir Terence, how do you respond to the allegations put forward by witnesses in the Fitzgerald inquiry that you were an SP bookie bagman and a leading figure in Queensland organised crime?

Lewis: I'd respond by asking that any makers of such allegations step forward and reveal who they are.

Wendt: Isn't there some problem, perhaps, that they are afraid to do this?

Lewis: They will have full police protection.

Ackerie: I must say I was hurt, very personally hurt, by the wicked allegations of the so-called Fitzgerald Inquiry.

Hinze: May I say that I deny everything.

Wendt: But I haven't asked you anything yet.

Hinze: I deny that too.

Wendt: What?

Hinze: Simply by asking me to appear on this show is an attack on my character.

Wendt: Then why ...

Hinze: I only agreed to appear to defend my good name against scurrilous and personal attack by sources of doubtful reputation.

Wendt: You must admit, though, Mr Hinze, that Mr Ahern, by standing you down ...

Hinze: Made a grossly unfair attack on my good reputation, myself and all those who know me and love me. I've spent years in Parliament and in the National Party as a senior minister and this attack is intolerable!

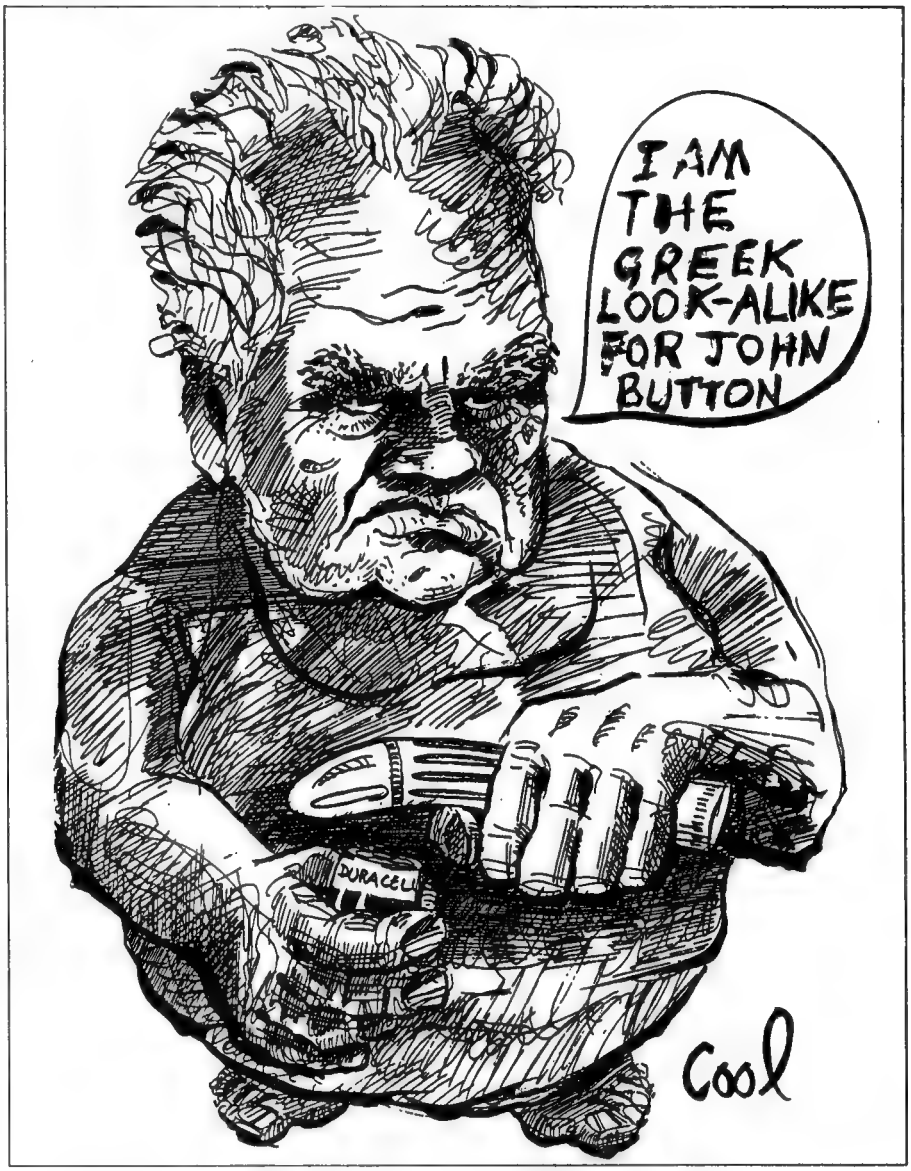
Wendt: But serious questions about you were raised in the inquiry.

Ackerie: I am completely innocent and not deserving of these terrible accusations.

Hinze: I've spent years in the party. Years getting to know people. Lots of people. Important people. People who know how well I know them.

Wendt: Be that as it may ...

Hinze: Working with them, on all sorts of things. Getting to know them and what important people they are. And why.



Wendt: But ...

Hinze: And they know I know them! And they know me. And my reputation!

Wendt: Sir Terence ...

Hinze: Mr Fitzgerald should take things like this into account!

Wendt: Sir Terence, you ...

Hinze: Give full and complete consideration, considering the delicate and critical position he and the commission are at present in.

Wendt: Sir Terence, do you feel wrongly treated by the Fitzgerald inquiry?

Lewis: Well, as you know, I'm innocent ...

Hinze: So am I!

Ackerie: I wish to say now I am ...

Lewis: ... and so have nothing to fear. Sooner or later, things will return to normal.

Wendt: Mr Ackerie, you've been named as a major figure ...

Ackerie: I have spent years building my businesses in Queensland only to have my good reputation treated like this !

Lewis: What business is this, Stefan?

Ackerie: Hairdresser, I have nothing to do with Mr Fitzgerald's inquiry. I did not even know such terrible things existed in my lovely state of Queensland.

Wendt: So you deny the allegations?

Ackerie: Absolutely. Do not believe a word of what was said. I, a breaker of laws? Ha!

Wendt: Was that a burst of contempt, Stefan? Contempt of court?

Hinze: I don't even like Chinese food.

Wendt: Gentlemen, thank you for your time.

- BRENDAN O'SHEA

The Lodge

Canberra
February 28

Dear Joan,

As you've probably read, we've had Mick and Mary staying with us. Well, I've had it — up to here. It was all RJL'S idea, of course. The Master Negotiator was going to talk the First Mate into staying aboard what is looking like (strictly between us, please, Joan) a pretty leaky boat.When Mick walked in, he looked pretty chipper. I could tell straight away that Our Kissinger wasn't going to be able to talk him out of packing a toothbrush, let alone a career. I said to RJL while they were settling in (yes, the blue room, but we've had a man in about the fleas), "You won't be able to change his mind, you know." He gave me The Look and we made a bet, though of course he doesn't remember it now.

As for Mary, well, she was showing more than a touch of the grim satisfactions. When I gave my piano recital, I couldn't help playing "You'll Go No More a-Roving". I don't know whether she got the joke, but there's no doubt that Mick's wings have been clipped. Last year, do you know, he was away from home more nights than any other Minister? Even more than Keating — and he's away from home even when he's home.

Well, the negotiations lasted longer than the Versailles Peace Conference. In the Old Times, sessions like these were ended (you know this only too well, Joan) by inebriation. Now that RJL's got everybody but Cassidy on Herr Dr Krautzmann's Laughless Lager Substitute, the talks go on all night. But Matey was unbudgeable— he'd made up his mind after Adelaide, and I really think he brought Mary along to make sure he didn't get talked out of his decision. At any rate, come breakfast-time she had her grim-satisfaction look on at full blast. I thought at one stage that Our Kissinger might let fly at her with a poached egg. Instead, he took it all out on the press. I tell you, Joan, I can't say how glad I am that he's got Michelle Grattan to kick around.

Anyway, no sooner were Mick and Mary out the door than it was back on the phone to the boys to sort out the Ministry again. I tell you, if RJL and Graham had their calls timed, they'd need Peter Abeles to pay the bill. Talk about <u>talk</u>! Yet I ask you to look at what they came up with, after all that talk. <u>Bolkus</u>!

The papers had a field day with Adelaide and Mick and Loosley and the wood-chip money, and I can tell you its no "How Great It Was in That Dawn to Be Alive, and to be Young Was Very Heaven" around here when the newsboy calls. He might as well be delivering turds, for the reaction his offerings get around here. And it's not just the Fairfax press — though if I'm caught reading Ramsey, the huff lasts until Sunday. Now, even the Murdoch people seem to be turning. Sometimes I think of Mick, and Susan, and even old Chris Hurford, skipping off to pastures now, while here we are stuck in Canberra like targets in a shooting gallery, sitting on the shelf waiting to be shot at.

But if I talk about doing a Mick, Horatio Nelson applies the telescope resolutely to the blind eye and gives us a rousing number about loyalty.

The radio's no better. Turn it on and there's Barrie with the barge-pole out. I call it the Federal fend-off. They're happy enough to have us sitting centre-stage, I said to Horatio, when they think it will help them, but it's the tradesman's entrance when things are crook. He said not to be so bloody stupid, couldn't I see how important it was that Barrie wins in March and I said maybe it would do them all good up there if they lost and he said he wasn't thinking about <u>THEM</u> — he was thinking about <u>US</u>. Truth to say, I've never seen RJL so nervy.

It's got to the stage that we can hardly turn on the television. If it's not John Pilger having a go at everything and everyone the Government stands for, it's those dreadful Sixty Minutes people chasing poor Steven all over the map asking him about RJL's grandchildren. I know how many grandchildren we have, and nothing to do with RJL. Of course, they were trying to get Steven to talk about his father, but he didn't fall for it. Thank goodness for small mercies, I say.

The only time RJL brightens up these days is when Hopeless Howard comes on. Rod's said there's a vote for us every time Hopeless shows up on the screen and five if he opens his mouth. You should hear the hollering in the Den when Hopeless gets a really big go — especially if Barry's dropped in after a couple of hours at the Press Club. They go mad, cheering.

The other night, I felt like asking whether it had occurred to them that having Hopeless as your biggest asset mightn't be something of a comment on your other assets but by that stage they were chalking their cues and if I've learnt something over the years, Joan, it's never to put RJL off his snooker. That's worse than sticking up for Michelle.

I've nearly finished the cardigan. Bye,

Mabel

Barrie Unsworth's Advice to the Lovelorn

Dear Barrie: I can't get it up. What should I do?

Worried, Tempe.

Dear Worried: I have always lived in Brighton le Sands. The fish and chip owners all know me. So do the pizza parlour proprietors. My wife only visits our Turramurra home to feed the budgie.

Dear Barrie: I can't get it in. What should I do?

Frustrated, Mudgee.

Dear Frustrated: I do not pull the wings off butterflies. I love soft, warm, puppy dogs and small children. Put it in the square our scrutineers tell you, or else.

Dear Barrie: Sometimes I like awake at night thinking about Bob Hawke. What a hunk! Then I think to myself that I'm only being foolish. Why would the Prime Minister be interested in an silly, empty-headed model like myself. My agent says my only assets are my big boobs and my cute behind. What do you think?

Cindy Lou, Potts Point.

Dear Cindy Lou: Canberra is not an issue in this campaign. Let's get back to basics. I'm the one who's Good Value. Singo says so. He also said you and your whole family would love the Bicentennial Fireworks. Twenty five million smackeroos up in smoke and not a vote in the whole fucken lot, according to the pollsters. Have you ever met a pollster who could lie straight in bed, Cindy Lou?

Dear Barrie: I'm pregnant. What should I do?

Almost 15, Wagga Wagga.

Dear Almost 15: I have always said the youth of this country is the hope of the nation. Have you been to one of our Bicentennial-rock-concerts-for-the-whole-family? When the Happy Event arrives you can take the Little Bundle of Joy along. I hope to own a unit in Wagga Wagga one day. Any further questions, don't hesitate to write to me.

Dear Barrie: My fiance and I have agreed not to have sex until we've been married at least two years. But my shower tea is coming up next month. I'm so nervous. Do you think a white broderie anglaise frock with lots of lovely ruffles would be suitable for the occasion?

Pollyanna, Bellevue Hill.

Pollyanna? Do I know you? Are you from the Herald, you piece of slime? I warn you, I know Lady Mary, you greasy scumbag. If you can't respect me, at least respect the office, you filthy hack. Don't talk to me about polls. The only poll that counts is the one on election day.

Dear Barrie: My boyfriend is in Young Labor. He manages a rock band called the Ramrods. He says he is thinking of floating the dollar, turning the Ramrods into a merchant bank, discounting it to trust in Liechtenstein, swapping some convertible Swiss notes, and short-selling the lot to a nominee company Rene Rivkin has told him about in the Dutch Antilles. He was so romantic when he proposed. Now that the invitations have gone out for the wedding, he wants to pull out. I'm not in the family way or anything like that.

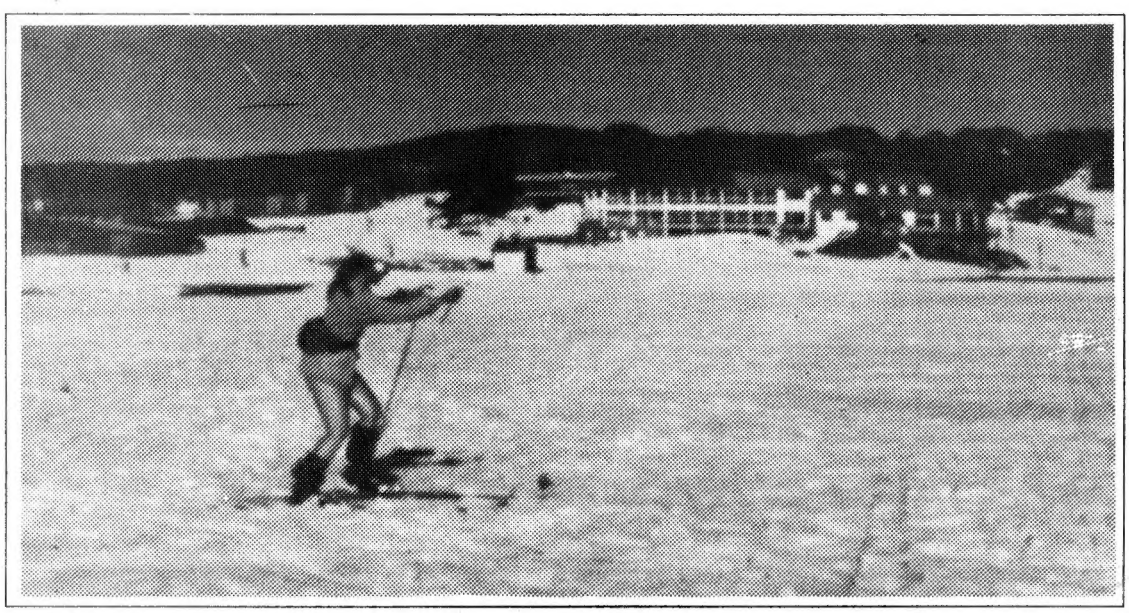
Christine.

Dear Christine: Ah Yes! The family! Are you on the roll? Perhaps I could get someone from Young Labor to call. You'll be pleased to hear the Treasurer has given me a solemn promise to maintain the value of the Family Allowance. What more could you want. Long live Charles and Diana.

Dear Barrie: I've had 18 years of married bliss until the other day when my husband said he was thinking of voting Liberal. I begged him not to, for the sake of the children, but he won't listen.

Desperate, Bathurst.

Dear Desperate: Unfaithful husbands have always made Head Office sick. Tell your Old Man if he doesn't do the right thing by you on election day, I will come around and kick his arse from one end of town to the other. Sorry, must fly, I have to present the Premier's Literary Awards.



No 5 In A Series Of Fabulously Up-Market Joints Owned By Warren Anderson Where Paul Keating Has Been A Guest: This is the Marritz Lodge, catering to the most discerning devotee of the Perisher ski-fields. Paul spent an intimate weekend there in April 1983, not long after taking over as Treasurer where he has earned plaudits from the financial community as a model of fiscal rectitude.

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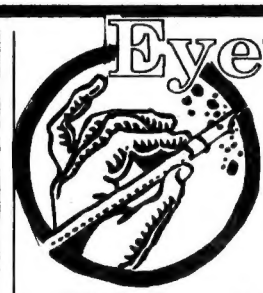


"Maybe Pearson's aim is to cut across the mindless drifting up north which he does so much better in a series of small paintings and in Texas Dreaming. Here implosive forces swirl items with frantic frenzy, sometimes with Schnabel's daring but given pause by using David Salle's see-through drawing when Pearson depicts one of his pair of richly patterned boots ... These sweet reservoirs are, it seems, a universal amnesia to be craved, but in front is a cylinder of salt like a tower of white purity with a spiral pattern leading up to a reservoir of brown, true redgum honey. Maybe she is saying that art's imagination is essential and will provide the salt in the belief that 'ye are the salt of the earth: but if the salt has lost its flavour, wherewith shall it be salted?'"

Elwyn Lynn,
The Weekend Australian.

"Noah worked industriously through second and fourth set tie-breaks, but could not build an ark quickly enough to ride the flood of Schapers' greater desire ... The most consistent male player on the planet, Lendl performs as dependably and sometimes as stirringly as the moon's orbit around the same."

Cameron Williams,
The Australian.

"(Auberon) Waugh likes Australians, likes coming here. But he doesn't like the 'dirty-minded, leering," UK-based professional Australian, of which he says Clive James is the epitome.

" 'The real Australian is very frank and open, very open-minded and tolerant — which none of the London Australians are at all. They're committed, blinkered, know best on everything. The real Australian is somebody quite, quite different. He's humourous and highly intelligent. And he's hard-working.' "

The Weekend Australian

Today's Viewing Channel Two

6.00 PARLIAMENTARY CHALLENGE. New game show. Tonight, the NSW Right vs The Rest of the World. Host and judge: Senator G. Richardson. Recorded before a live studio rainforest.

6.30 PHEW! WHAT A SCORCHER! BBC Comedy series (R).

7.00 NEWS

7.02 BACKSLAP. ABC Supremo answers his critics.

7.30 HELLO, HELLO, HELLO, WOT'S ALL THIS THEN? BBC Comedy series (R).

8.00 COR! TAKE A LOOK AT THE RATINGS! New ABC Soap. Tonight, David's numbers come up at last. The smooth talking Gareth loses the girl.

8.30 THE STINGING DIRECTIVE. Tonight, David sends a memo. Wendy Bacon abolished. Al Jolson hired. Guest appearance by Neville Wran.

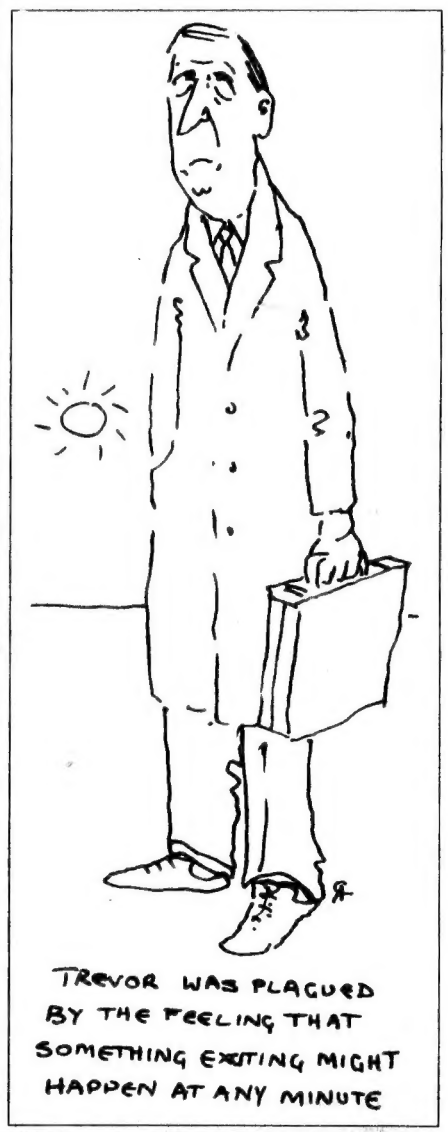
9.00 A LOAD OF OLD COBBLERS. BBC Comedy series (R).

9.30 OVER THE HILL AND FAR AWAY. 1988 Australian film. The touching story of an orphan who loses his train set, but gains a national broadcasting network, several orchestras and a handful of radio stations; all by working for just eight cents a day.

11.30 THE LIKELY LADS. BBC Comedy series (R).

12.00 FOUR CORNERS.

12.02 CLOSE.



Moscow, March 1

My man in OSCAR reports morale to be exceptionally high. (Yes, OSCAR is a genuine name belonging to one of the murkier corners of your Defence Department. It stands for the Office of Special Clearances And Records.) OSCAR is going from strength to strength, regularly routing its great antagonist, ASIO. For example, it has taken over responsibility for security from ASIO in the Joint Intelligence Organisation and has the run of the Office of National Assessments and the Protective Security Coordination Centre.

Not surprisingly, my laddie on the spot can't avoid the odd wry moment of pleasure as he joins in the constant OSCAR chorus that ASIO (and JIO) are riddled with "Smevlovs". (You guessed it, Smevlovs are bad, bad Ruskies.)

ASIO is ridiculed as a bunch of academic pansies, hog-tied by regulations that stop them from sniffing out the Smevlovs. On the other hand, OSCAR is not bound by any rules. It follows people about, tries to extract dirt on them by none-too-subtle pressure on friends and relatives, and keeps files on individuals running to tens of thousands of pages. Gossip and rumour (which these days, I'm told, have some chance of being scrubbed in ASIO) are its stock in trade.

Because it is responsible for seven different clearances above Top Secret (the most notable one being for the Pine Gap priesthood) the people likely to come to OSCAR's attention to its immense disappointment are in jobs where they have never looked like deviating one iota from devotion to God, Queen and country.

But an OSCAR officer is never discouraged. They fervently believe that one day a Smevlov will be unearthed if they dig hard enough. With a few more staff every Australian could be cleared.

OSCAR's head, Brian McDonald, came to our attention back in the days when he was was a Canadian citizen. It's good to see this has not diminished his enthusiasm for purifying his new country.

Some things never change. I note that your revisionist historian Ross Fitzgerald is lamenting that the spirit of *glasnost* in Queensland has not yet spread to the Special Branch. He doesn't fully understand the dialectic, it appears. Besides, without the Special Branch, would we be getting the same fun out of the reports of the role of one of its former stars, Inspector Don (Shady) Lane, now emerging from your lively little Commission into Police Corruption?

Recent editions of *The Australian* seem to have created a full time career for a certain Gerard Henderson to cry conspiracy theorist whenever anyone suggests that the CIA might actually perform the dirty tricks for which it is so handsomely funded. But whacky articles about my past, I note, leave him unruffled.

For example, concern for such mundane concepts as the unlikelihood that the one person can be in two places at once does not seem to have deterred *The Sydney Morning Herald* from assigning half a page to the notion that Wilfred Burchett must have sprung me from Beirut because he happened to be in Egypt in 1963 asking questions about the Suez Canal.

What the latter has to do with my departure, I have no idea, but I do know that I was already in Moscow at the time Wilfred was supposed to be cruising so suspiciously down the Nile.

KIM

MICHAEL FITZJAMES

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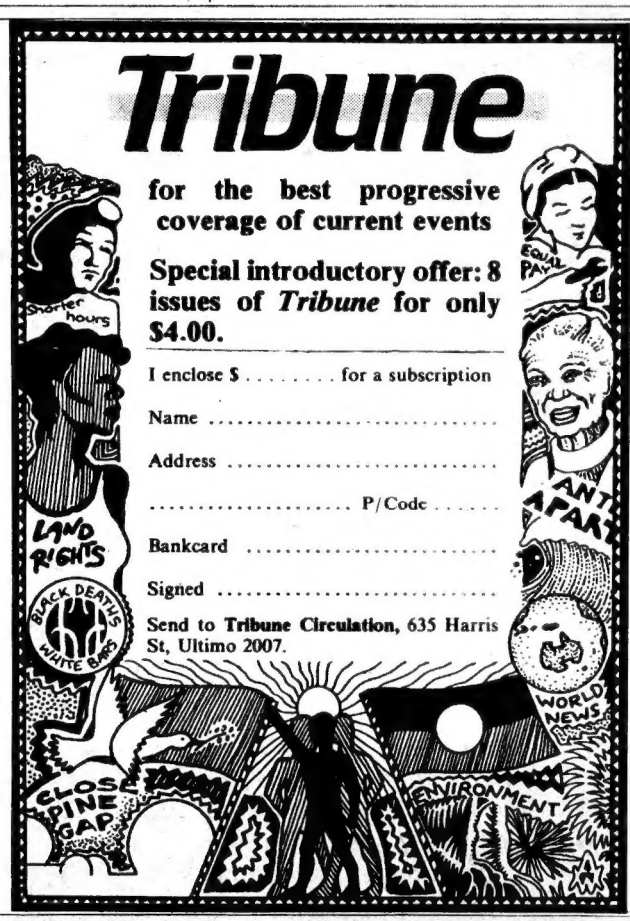

They've hijacked our media

Two companies now dominate our print media. One is owned by an American citizen (Murdoch), the other — a sad shell of its former self — by young Warwick Fairfax. In television, Bond has Nine, and beer and blimps, property development and tax-free gold mines. Lowy at Ten, another of Hawke's mates, is also big in property development, as is Skase at Seven. These are the sort of people to whom pushing barrows is second nature, and for whom journalistic independence is often a subject of great novelty. Governments are there to be stroked and cajoled into cosseting other parts of their business empires, advertisers are there to be seduced with favourable editorial. Worse still, at a time when the ABC should be becoming all the more indispensible, it is succumbing to political interference and ratings mania.

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